

Testimony from Paul Dworkin, MD- Pediatrician and Executive Vice President for Community Child Health at Connecticut Children's Medical Center to the Finance, Revenue, and Bonding Committee Regarding:

SB 383- An Act Increasing the Applicable Percentage of the Earned Income Tax Credit

SB 384- An Act Implementing the Treasurer's Recommendations Concerning the Connecticut Baby Bond Trust Program

HB 5403- An Act Establishing A Child Tax Credit Against the Personal Income Tax

March 15, 2022

Senator Fonfara, Representative Scanlon, and members of the legislature's Finance, Revenue and Bonding Committee, thank you for the opportunity to share my support of Senate Bill 383, Senate Bill 384, and House Bill 5403.

My name is Dr. Paul Dworkin and I serve as the Executive Vice President for Community Child Health at Connecticut Children's Medical Center. I wish to offer my support of these proposal because all children, regardless of the race, area code, or income level of their families deserve equal opportunities to grow, learn, and succeed to their fullest potential.

Before commenting on the bill, we want to provide some background about the Connecticut Children's Office for Community Child Health (the Office). At Connecticut Children's, we know that only about 10% of children's overall health and wellbeing is determined by the access to and quality of the health care services they receive. The Office works to improve the wide variety of factors that influence a child's health (often referred to as "the social determinants of health") such as housing, transportation, food and nutrition, and family support services—all of which are impacted by a family's economic circumstances.

At Connecticut Children's, we are keenly aware that a family's finances influences their ability to access care and services for their children. All too often, we see families who lack reliable transportation to travel to medical appointments, struggle to afford healthy meals, or cannot afford all of their utility bills. These factors greatly impact the health of children and their families and it is why I am offering my support of these proposals which all have the potential to strengthen families.

SB 383- An Act Increasing the Applicable Percentage of the Earned Income Tax Credit

The coronavirus pandemic has exacerbated many of the existing social and economic challenges facing families. Now more than ever, it is critical that Connecticut legislators prioritize socio-economic initiatives, like increasing the applicable percentage of the Earned Income Tax Credit (EITC), that help keep children healthy, because healthy children grow up to be healthy and productive members of our communities.

The research validates that EITC increases support children's health and wellbeing. Research shows that an increase in the EITC is associated with a reduction in overall child maltreatment. An increase in income from the EITC of \$1,000 reduced child protective services involvement by 7-10% and a 10% increase in state EITC (as is proposed in this legislation) reduced neglect reports by 10%.

SB 384- An Act Implementing the Treasure's Recommendations Concerning the Connecticut Baby Bond Trust Program

I also offer my support of SB 384, which makes technical and clarifying changes to this first in the nation, innovative Baby Bond program aimed at closing wealth gaps, ending generational poverty, and investing in our economy. The bill also moves forward the last year of bonding authorization so that all children in the program have a full 18 years of investment opportunity.

At Connecticut Children's, over half of our patients rely on the State's Medicaid program. As such, we appreciate the state's approach of focusing investment on babies whose births are covered by Medicaid. This targeted approach will support nearly 16,000 babies each year and will help address the racial wealth gap and the cycle of poverty.

HB 5403- An Act Establishing A Child Tax Credit Against the Personal Income Tax

Similar to increasing the applicable percentage of the EITC, enacting a state-level child tax credit would help support and strengthen families by reducing the child poverty rate and empowering families with the opportunity to better provide for their children.

One analysis of Census Bureau data conducted by the Center on Budget and Policy Priorities found that 93% of low-income families in Connecticut utilized their monthly federal Child Tax Credit payments for basic needs, including food, clothing, shelter, education costs and utilities. Meeting all of these basic needs supports the optimal health, development, and wellbeing of children.

Supporting Families in Connecticut

Strengthening families to ensure the best outcomes for children, especially those living in poverty, demands that we bring to scale and impact efforts across multiple sectors including family support (e.g., home visiting), early care and education (high quality child care and preschool), housing (i.e., stability and security), workforce development, and mental health supports (e.g., addiction prevention and treatment), to name just a few. Now is the moment the state, healthcare providers and communities must come together and think more holistically about what it means to care for families.

The challenges of the COVID-19 pandemic present an opportunity for all of us to think bigger and bolder than ever before about what it means to support kids and families. Resilient parents and caregivers are better able to provide kids with a web of support when they can earn a living wage, pay their bills, and put food on the table. We can support children's health by supporting families' resilience through these sorts of initiatives.

Thank you for your consideration of our position. If you have any questions about this testimony, please contact Emily Boushee, Connecticut Children's Government Relations Associate at eboushee@connecticutchildrens.org.

ⁱ Berger, L., Font, S.A., Slack, K.S., Waldfogel, J. (2017) Income and child maltreatment in unmarried families: Evidence from the Earned Income Tax Credit. Rev Econ Household. 15:1345–1372.

[&]quot;Claire Zippel. 9 in 10 Families With Low Incomes Are Using Child Tax Credits to Pay for Necessities, Education. CENTER OF BUDGET AND POLICY PRIORITIES. https://www.cbpp.org/blog/9-in-10-families-with-low-incomes-are-using-child-tax-credits-to-pay-for-necessities-education